



**Testimony of Abraham Scarr, Director
Connecticut Public Interest Research Group (ConnPIRG)**

in support of

Proposed House Bill No. 5410:

An Act Concerning Gas Companies Cost Recovery of Lost and Unaccounted for Gas

Chairperson Duff, Chairperson Reed and Members of the Committee: My name is Abe Scarr and I am the Director of the Connecticut Public Interest Research Group (ConnPIRG). Thank you for the opportunity to submit written testimony in support of Proposed House Bill No. 5410: An Act Concerning Gas Companies Cost Recovery of Lost and Unaccounted for Gas.

ConnPIRG is a non-profit, non-partisan consumer group. Considering how expensive energy is, we should do everything we can to minimize waste. Consumers pay a significant price to heat and cool our homes and buildings. We all pay for the public health impacts of burning fossil fuels, and global warming threatens our very way of life. Efficiency is the quickest, easiest, and most cost-effective way to minimize these costs to consumers and society.

One of the many places we waste energy is in transmission and distribution. Significant amounts of natural gas are lost in transmission and distribution through leaks throughout the system. Currently, gas companies can charge consumers for lost or unaccounted for gas. Because the gas companies can recover the entire cost of lost gas from consumers, they have little incentive to improve system efficiency.

House Bill 5410 would require the Public Utilities Regulatory Authority (PURA) to establish a system that incentivizes losing less gas by allowing gas companies to recover the cost of only a specified amount of lost or unaccounted for gas. PURA would set an amount of allowed loss over a period of time. If a gas company performs better than allowed, they see a financial benefit. If a gas company performs worse than allowed, they must absorb the cost of gas loss above the limit. Further, underperforming gas companies must submit a report to PURA that identifies why they are losing gas and what cost-effective steps they will prioritize to improve their performance.

A similar program in place in New York for decades has saved New York consumers \$48 million annually according to the New York Public Service Commission. Connecticut should adopt this proven, common sense program.

Again, thank you for the opportunity to submit written testimony in support of House Bill 5410.

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